DELTA PROTECTION COMMISSION

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April 14, 2004

Pal Sandhu, Project Manager Division of Planning Local Assistance Department of Water Resources 1416 Ninth Street, 11th Floor Sacramento, CA 95814

Subject:

In-Delta Storage Program State Feasibility Study Prepared by Department

of Water Resources; a CALFED Program (January 2004)

Dear Mr. Sandhu:

The Delta Protection Commission appreciates the update on Department evaluation of In-Delta Storage presented at the March 25, 2004 Commission meeting. At that meeting, the Commission received an update on several of the reports prepared since the Commission's last update in September of 2001. The Commission is aware that the CALFED ROD identifies an in-Delta storage project (approximately 250 TAF) which could provide both fishery benefits and enhanced water project flexibility. CALFED is to explore the lease or purchase of the Delta Wetlands project. CALFED can initiate a new project, in the event that Delta Wetlands proves cost prohibitive or infeasible.

After release of the In-Delta Storage Program Draft Summary Report (May 2002), the Delta Protection Commission submitted advisory comments to DWR dated June 24, 2002. Those comments note the Delta Protection Act of 1992 states "Permit water reservoir and habitat development that is compatible with other uses."

In January 2004, DWR released a new series of reports and in February 2004 held two public workshops. At the public workshop in Walnut Grove, DWR staff indicated that the project is technically feasible, current analysis shows that the project cost is approximately twice the value of the project water, but that additional research is still needed.

It is anticipated that in June, the California Bay Delta Authority will review recommendation from DWR about prioritization of the several surface storage projects delineated in the ROD.

The Commission's 2002 comments focused on the following issues:

- Balance of the CALFED Program Implementation in the Delta
- Alternatives Analysis
- Levees and Flood Control
- Water Quality
- Impacts to Nearby Lands
- Impacts to Delta Agriculture
- Impacts to Delta Economy
- Public Access and Recreation
- Impacts to Delta Transportation/Highways
- Consistency with Delta Protection Commission's Plan

Several of these issues have been studies in the recently released reports include economic analysis, proposals regarding public access and recreation, proposals to minimize impacts to agriculture, and commitments to monitor and address possible seepage impacts on nearby islands.

The Commission was appreciative of the new information that was presented at the March update, and directed staff to acknowledge that work and resubmit the earlier comments to identify issues that should be studied in future studies or any future environmental document. A copy of the 2002 letter is attached.

Please feel free to contact me if you have any questions about these comments.

Sincerely,

Margit Aramburu Executive Director

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Attachment: June 24, 2002 Comment Letter

Cc: Delta Protection Commission

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June 24, 2002

Pal Sandhu, Project Manager Division of Planning and Local Assistance P.O. Box 942836 1416 Ninth Street, 11th Floor Sacramento, CA 94236-0001

Subject:

Review of In-Delta Storage Program Draft Summary Report

Dear Mr. Wright:

Thank you for circulating and requesting comments on the Draft Summary Report "Review of In-Delta Storage Program". The Delta Protection Commission (Commission) has reviewed the In-Delta Storage component of CALFED over the last several years, and is aware that the CALFED Record of Decision (ROD) directed the Department of Water Resources (DWR) and the Bureau of Reclamation (Bureau) to "take the necessary steps to pursue expansion of two existing reservoirs and construction of a new offstream reservoir, with a combined capacity of 950 TAF and a major expansion of groundwater storage for an additional 500 TAF to 1 MAF". The ROD identified potential storage associated with in-Delta Storage as 250 TAF.

The Commission is a signatory to CALFED's Interim Governance Memorandum of Understanding and participates in discussion of projects that would impact land uses and the levees in the Primary Zone of the Legal Delta. The Commission has a unique role as the only State regional planning body in the Delta area, the area where many CALFED actions and programs are located. The Commission has no legal authority over State or federal activities, so these comments are advisory only. These comments are however based on the Commission's Act and adopted Land Use and Resource Management Plan for the Primary Zone of the Delta.

Background:

The Delta Protection Act of 1992 states "Permit water reservoir and habitat development that is compatible with other uses" (Public Resources Code Section 29760 (14)).

The Commission has not taken a formal position on the Delta Wetlands project, nor adopted comments on the proposed project. However, the Commission has recently received briefings on the CALFED In-Delta Storage program and on the Delta Wetlands project itself. These comments are based on comments made by Commissioners at those

two recent briefings (September 2001 and November 2001), a brief discussion of the Draft Summary Report at the May 2002 meeting, and a meeting of the Commission's CALFED Committee on June 4, 2002. All of these meetings were open to the public.

Staff has submitted comments on the proposed project that address general levee stability, possible impacts to levee stability from constructing recreation facilities on the levees, possible seepage impacts on nearby or adjacent islands, and possible increased salinity in the west Delta.

Staff comments noted the lack of analysis of the loss of agricultural land associated with the project and the lack of public access or recreation associated with the project (all proposed recreation is private).

In-Delta Storage Program Draft Summary Report, May 2002

The conclusions of the report are:

"the project concepts as proposed by Delta Wetlands are generally well planned. However, it is the conclusion of DWR and Reclamation that for ownership by these two agencies, the project as proposed by DW requires modification and additional analyses before it is appropriate to 'initiate negotiations with Delta Wetlands owners or other appropriate landowners for acquisition of necessary property' (CALFED ROD, page 44)"

Topics to be Considered in Future Environmental Documents:

The Delta Wetlands project has prepared several environmental documents. However, if the State and/or federal agencies decide to acquire the Delta Wetlands project, DWR staff has assured the Commission that additional environmental review would be required for acquisition of the land, and for any revisions in design or management of the water storage project and associated mitigation.

Further analysis of CALFED's In-Delta Storage Program, and particularly State and/or federal acquisition and management of the Delta Wetlands Project, should address:

Balance of CALFED Program Implementation in the Delta:

- Evaluation of the CALFED program to date in the Delta and the balance between the various components of the CALFED program, and what implementation of the In-Delta Storage would mean to program balance;
- Evaluation of the proposed habitat improvements in light of the CALFED Delta Ecosystem Restoration Plan (now under preparation).
- Evaluation of the proposed yield of the Delta Wetlands project in light of the goals for water storage described in the ROD.
- Analysis of the marketability of water to be stored in the reservoirs of the Delta Wetlands Project.
- Analysis of costs should include full cost of the project, including mitigation.

 Analysis of costs should clarify amortization of project costs over the term of the project.

Alternatives Analysis:

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 Broader evaluation of alternative water storage sites within the larger Delta region to meet the goal of 250 TAF of new storage, such as groundwater storage, south of Delta storage, etc.

Levees and Flood Control:

- Evaluation of possible impacts to the stability of levees within the project boundary and on nearby islands;
- Possible impacts to levee stability associated with construction of proposed recreation facilities:
- Regional flood control impacts associated with increasing height of levees on some islands and not concurrently increasing the height of nearby, and/or adjacent levees;
- Analysis of use of Reservoir islands for floodwater storage (quick rate of filling during flood episodes);
- Funds for levee work associated with In-Delta Water Storage should not come from funds for the Levee Subvention Program (levee maintenance) or for proposed upgrades of the Delta Levees included in the CALFED ROD.
- The project should be coordinated and if possible modeled as part of the Sacramento San Joaquin Comprehensive Study.
- Future analysis should address recent studies and reports on global warming and its potential impacts to water flows and levee integrity throughout the Delta.

Water Quality:

- Protection of West Delta water quality from increased levels of salinity;
- Protection of South Delta water quality, supply, and elevation to protect ongoing agriculture;
- Analysis of the water quality of discharges from the reservoirs and from the habitat islands and assurance that the discharges would not adversely impact channel water quality (temperature, dissolved oxygen, etc.).

Impacts to Nearby Lands:

- Assurance that seepage from the proposed reservoirs would not adversely impact nearby agricultural islands, or that the impacts can be fully mitigated:
- Assurance that any In-Delta Water Storage facility could not be converted to a Through Delta Isolated Conveyance Facility, or a "Chain of Lakes";
- Assurances of safe harbor to adjacent private landowners and the impacts of special status species from the habitat island to surrounding lands;
- Assurance that adequate buffers will be provided on the project islands, and not on neighboring private lands;
- Analysis and prevention measures to control mosquito habitats and mosquitoes within the project boundary.

• The project proponents should continue to accept responsibility for monitoring and remedying any offsite impacts to surrounding lands.

Impacts to Delta Agriculture:

- Assurance that any change in project ownership, retirement of ag land or retirement
 of Williamson Act contracts would be subject to further environmental review and the
 mitigation measures included in the CALFED FEIR/EIS;
- The CALFED FEIR/EIS includes discussion of the need to mitigate for the loss of agricultural lands associated with CALFED projects. Mitigation strategies in the Delta should result in permanent protection of a "core" area of agriculture in the Delta in support of the region's economy, and where possible, in support of other CALFED program goals, such as protection of "wildlife-friendly agriculture".
- Evaluate option of keeping non-flooded islands in economically-viable agricultural uses.

Impacts to Delta Economy:

 Analysis of and mitigation for loss of local taxes and other fees if lands are purchased by State or federal agencies, and of losses of agricultural income in the Delta region, including analysis of socio-economic impacts and secondary impacts.

Public Access and Recreation:

• Provision of public access and recreation as a part of any publicly funded project in the Primary Zone of the Delta, consistent with visions for recreation and public access outlined by the Commission.

Impacts to Delta Transportation/Highways:

- Analysis of the impacts of the proposed project on State Highway 12 and its potential widening;
- Analysis of whether the proposed modifications in land use would exacerbate tule fog along the Highway 12 corridor.

Consistency with Delta Protection Commission's Plan:

• Future analysis should carefully review and analyze consistency of any water storage proposal and associated improvements and mitigation with the Commission's Act and adopted Plan.

On behalf of the Commission, thank you for requesting comments on the planning process for creation of In-Delta Storage. Please feel free to call if you have questions on these comments.

Sincerely,

Margit Aramburu Executive Director